



STANISLAUS COUNTY
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BOARD OF RETIREMENT MINUTES

August 12, 2009

Members Present: Maria De Anda, Jim De Martini, Mike Fisher, Gordon Ford, Darin Gharat, Wes Hall, Mike Lynch, Ron Martin, and Clarence Willmon

Alternate Member Present: Linda Stotts-Burnett (Alternate Retiree Representative)

Staff Present: Tom Watson, Retirement Administrator
Kelly Cerny, Executive Secretary
Michele Silva, Benefits Manager
Joyce Parker, I.T. Coordinator

Others Present: Deirdre McGrath, Deputy County Counsel
Doris Foster & Monica Nino, Chief Executive Office
Lyn Bettencourt, Retiree

1. Meeting called to order at 2:00 p.m. by Gordon Ford, Chair

2. **Roll Call**

3. **Announcements**

None.

4. **Public Comment**

None.

5. **Consent Items**

Motion was made by Maria De Anda and seconded by Mike Fisher to approve the following items as listed.

Motion carried.

a. Approval of the July 28, 2009, Investment Meeting Minutes

b. Approval of the Recommendation from the Retiree Benefits Committee on Retiree Health Insurance Administrative Costs Action

5. **Consent Items (Cont.)**

c. Approval of Service Retirement(s) – **Sections 31499.14, 31670, 31662.2 & 31810**

1. Kathryn Bewick, HSA, Effective 07-28-09
2. James Costello, HSA, Effective 07-28-09
3. Kathryn Evenson, Superior Court, Effective 07-08-09
4. Glynn Frost, Public Works, Effective 08-17-09
5. Elizabeth Lane, CEO, Effective 08-01-09
6. Kenneth Lewis, District Attorney, Effective 08-03-09
7. Cheree Platt, CEO, Effective 08-01-09
8. Anne Rivas, CSA, Effective 08-22-09
9. Dennis Wister, Planning, Effective 08-16-09

d. Approval of Deferred Retirement(s) – **Section 31700**

1. Robert Bradford, Clerk-Recorder, Effective 06-05-09
2. Brett Dixon, Sheriff, Effective 05-31-09
3. James Velarde, Library, Effective 03-16-07
4. Lindsey Warwick, Sheriff, Effective 10-29-08

6. **Committee Reports & Recommendations for Action**

STANDING COMMITTEES

a. Retiree Benefits Committee – Darin Gharat, Chair

- i. Discussion and Action on the Development of a Funding Policy to Tie Retiree Ad Hoc Benefits to the Retirement System's Funded Status

Mr. Gharat gave a brief review of the Retiree Benefits Committee's August 4, 2009, meeting to development a potential policy that would tie retiree ad hoc benefits to the system's funded status.

Public Comment – Item #6a.i.

Mr. Bettencourt, Retiree, addressed the Board. He expressed his concerns with changing the method and design of the current excess earnings policy.

STANDING COMMITTEES (Cont.)

- a. Retiree Benefits Committee – Darin Gharat, Chair – (cont.)
- i. Discussion and Action on the Development of a Funding Policy to Tie Retiree Ad Hoc Benefits to the Retirement System’s Funded Status (cont.)

Motion was made by Mike Lynch and seconded by Jim DeMartini to:

- 1) Have the Board Chair form an Ad Hoc Committee of one member of each of the following standing committees: Strategic Planning Objectives Committee, Retiree Benefits Committee, and Internal Governance Committee (these Chairs in order are Mike Lynch, Darin Gharat, and Ron Martin). This Committee will oversee the policy development process.
- 2) Have the Ad Hoc Committee members meet on August 25, 2009, before the regular Retirement Board meeting solely to determine whether to proceed with the Draft “Funding Policy,” San Diego CERA’s policy, or, start from “scratch.”
- 3) Dependent upon the Committee’s direction, have the Committee hold another committee meeting in September or October to review progress and make any further recommendations to changes to the policy development.
- 4) Have the Committee meet before the December 9, 2009, Retirement Board meeting to finalize the Policy and approve the Committee’s recommendation for the adoption of the Policy by the Retirement Board.
- 5) Have the final Policy presented to and adopted by the Retirement Board at its January 13, 2010, Board meeting.

Motion carried.

7. **Administrator**

- a. StanCERA Website Overview

Mr. Watson gave a demonstration of the StanCERA website using a laptop and projection screen. He navigated through the various screens displaying the variety of system information provided on the website. This includes agendas, minutes, bylaws, newsletters, StanCERA financial reports, to name a few. Mr. Watson displayed an agenda on the website to demonstrate how the written attachments for agenda items may now be viewed or printed directly from the website. Mr. Lynch commented that the website is good.

- b. Board Member Input on the use of Technology for Board Meetings and Communications

Mr. Watson noted with this latest advance of technology on StanCERA’s website, options are available to receive the biweekly Board packets via the website. This would reduce costs associated with the production and distribution of the packets. Mr. Watson verbally presented options to the Board members. Board members were surveyed as to how they would like to continue receiving Board meeting agendas and the agenda item written information. Board members reviewed and discussed the options.

7. **Administrator (Cont.)**

- c. Verbal Report on Retirees' Responses to Notice of Suspension of the Revocable Health Benefits Subsidy

Ms. Silva gave a verbal report on responses received from the system's retirees upon receiving the Notice of Suspension of the Revocable Health Benefits Subsidy. Ms. Silva noted 2,758 notices were mailed with the retirees August payroll, along with an announcement printed directly on the advice check. Additionally, a letter from the Retirement Administrator and the current Revocable Health Benefits Subsidy were included.

The StanCERA summer newsletter also included information on the front page about the Board's action taken at the July 8, 2009 Board meeting to suspend the Subsidy for the year 2010.

Ms. Silva informed the Board that retirees would continue receiving the announcement printed on each month's advice/check through the December 2009 retiree payroll with an additional statement that the Revocable Health Benefits Subsidy is not a vested benefit.

As of August 10, 2009, staff received approximately 94 inquiries regarding the suspension of the Subsidy.

8. **Closed Session**

Motion was made by Darin Gharat and seconded by Maria De Anda to commence to Closed Session at 2:46 p.m.

Upon returning to Regular Session at 3:30 p.m., Gordon Ford read the finding of the Closed Session:

- a. Conference with Legal Counsel – Anticipated Litigation
Significant Exposure to Litigation Pursuant to Subdivision (b)(3)(B) of Section 54956.9: One Case - California Foundation for Fiscal Responsibility (CFFR) Public Records Act Request for Members/Beneficiaries' Names whose Gross Monthly Pension Benefit Exceeds \$8333 in 2009

Motion was made by Darin Gharat and seconded by Mike Fisher to deny CFFR's public records request and maintain the Board's previous position.

Roll Call Yes: M. De Anda, M. Fisher, D. Gharat, W. Hall, R. Martin, and C. Willmon

Roll Call No: J. DeMartini, G. Ford, and M. Lynch

Motion carried by a 6-3 vote.

- b. Conference with Legal Counsel-Anticipated Litigation - Initiation of Litigation Pursuant to Subdivision (c) of Section 54956.9: One Case

9. **Members' Forum (Information and Future Agenda Requests Only)**

Ms. Cerny requested Board members who may be interested in attending the International Institute of Research's (IIR) Public Fund Boards Forum, December 12-15, 2009, in San Francisco, to contact her no later than Friday, August 21, 2009.

Mr. Watson informed the Board the \$35 million for the Barclays Global Investors (BGI) money market fund were transferred on July 31, 2009. The trades settled on August 5, 2009, allowing the monies to be placed in the Russell 1000 value index.

10. **Adjournment**

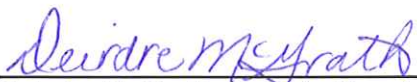
Meeting adjourned at 3:38 p.m.

Respectfully submitted,



Tom Watson, Retirement Administrator

APPROVED AS TO FORM:
JOHN P. DOERING, COUNTY COUNSEL



Deirdre McGrath, Deputy County Counsel